| | |
|---|---|
| Total Assets | 7665.99 |
| Net Worth | 2.42 |
| Deposits | 6920.91 |
| Advances | 3276.10 |
| Investments | 2645.28 |
| Operating Profit (+)/Loss (-) | 36.44 |
| Net Profit/Loss | (-) 272.69 |

The reasons for amalgamation of GTB with Oriental Bank of Commerce were as under:—

(i) The financial health of Global Trust Bank (GTB) was causing concern to Reserve Bank of India (RBI) since March, 2001.

(ii) The RBI inspection revealed wide variance with the balance sheet figures published by the bank.

(iii) Erosion of capital of the bank, RBI directed the bank to infuse capital so as to achieve a CRAR OF 9%.

(iv) GTB failed to locate a domestic investor who could infuse the requisite capital.

(v) This was done to protect the interest of the depositors of GTB.

(vi) To safeguard public faith in banking industry.

(c) and (d) the information is being collected and will be laid on the Table of the House to the extent possible.

**Financial deficit**

†491. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether financial deficit is likely to increase if the duty is reduced to check the inflation rate by Government;

(b) if so, the steps taken by Government to control this deficit; and

(c) whether International Monetary Fund has warned India regarding increase in financial deficit?

†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Fiscal deficit of the Central Government is dependent on the levels of tax and non-tax revenue, non-debt capital receipts and the level of total expenditure. Any unbudgeted reduction in taxes and duties is likely to adversely affect revenue collections budgeted for the year. The advalorem nature of duties may not fully offset the loss of revenue, in case of duty reductions to check inflation.

(b) The Government has been taking appropriate steps to check loss of revenue through improvements in compliance and expenditure management. The Government is committed to reduce the level of fiscal deficit to 3 per cent of Gross Domestic Product within a definite time frame as mandated by the Fiscal Responsibility and Budget Management Act, 2003.

(c) The International Monetary Fund (IMF) has been sharing its concern about the unsustainability of high fiscal deficits in India in its annual reviews. In its September, 2004 issue of World Economic Outlook, the IMF has emphasised that expenditure increases should be contingent on progress on the revenue front.

**Cess on income tax from religious institutions**

†492. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have any proposal to impose cess on the income from various religious institutions including temples to mobilize resources for poverty alleviation programmes;

(b) if so, the details thereof; and

(c) by when a final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Madam.

(b) and (c) In view of (a) above, does not arise.

**FDI in pension sector**

493. SHRI B.J. PANDA: Will the Minister of FINANCE be please to state:

(a) whether it is a fact that Government are considering 100 per cent FDI in pension sector;

†Original notice of the question was received in Hindi.